

COUNTY OF SAN DIEGO, CALIFORNIA
BOARD OF SUPERVISORS POLICY

Subject

Legislative Policy: Health Insurance

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Purpose

To establish the Board of Supervisors' legislative policy regarding health insurance, and to provide guidance to the County's legislative representatives when advocating the County's interests to legislators, other elected officials and policy makers.

Background

Over six million Californians do not have health insurance coverage, 4 million of those are families with at least one working parent. There are several major impacts resulting from not having health insurance coverage. They include:

- The uninsured receive fewer preventive services and face barriers to obtaining care they need to manage chronic conditions such as asthma, hypertension and diabetes.
- The uninsured are more likely to delay care for acute conditions, resulting in more serious and expensive health conditions.
- The uninsured are more likely to delay seeking screening and care for communicable diseases, resulting in increased risk of spreading the disease.
- The uninsured are more likely to use a local emergency department for urgent care or non-emergent health care, contributing to overcrowding and potential delay in treatment for those with true emergencies.
- Public and private health care providers assume a larger share of uncompensated care, which threatens to bankrupt California's health care delivery system.

The County must remain in a position to respond to proposals to increase insurance coverage for the uninsured.

Any health insurance legislation must account for the well-documented fiscal crisis of counties by including means to offset the costs of any new or expanded mandates on counties. Requiring counties to provide additional services or expanded coverage for their employees without the means to meet the costs of the new mandates would result in the reduction of other critical county services.

There are several areas of concern for the County regarding mandatory health insurance programs:

- The impacts of mandatory health insurance on the County as an employer, as a health care provider of last resort, and as a government agency responsible for operating public health programs?
- The funding and administration of a mandatory health insurance program.
- The scope of benefits.
- The impacts on the private sector.

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- The promotion of prevention activities.

As an employer, the County is concerned about the escalating costs associated with the purchase of health insurance and preserving a quality provider system to take care of employees and dependents.

As a payer and provider of health care, a major concern for the County is its ability to finance the care it is mandated to provide. For example, Section 17000 of the Welfare and Institutions Code requires California counties to "... relieve and support indigent persons, and those incapacitated by age, disease, or accident..." when those persons have no other means. Health insurance proposals that would reduce the demand for County-funded care have the potential to assist the County. However, proposals to redirect existing state or federal health care funds, in order to support a health insurance program for employed persons, could leave the County in a worse financial condition. Many of the indigent persons assisted by County health care programs are unemployed or working part time. The creation of a new insurance program for employees and their dependents, subsidized by state funds now used by the County to provide indigent health care (e.g., Medically Indigent Services Program), would leave the County with a mandate to expand care for indigent, unemployed persons, without adequate financial resources to meet the obligation.

The County is also concerned about the impact on the private sector. The economic health of the private sector, particularly small business, plays a critical role in the demand for County-provided services and the County's ability to finance those services. A mandatory health insurance program should not be overly burdensome for small businesses or their employees.

The Board strongly believes that prevention services are preferable to remedial services. Health care services such as perinatal care have shown conclusively that money spent on such care prevents significant health problems and expenditures later in life. If a state-sponsored or state-supervised health insurance program is adopted, it should include preventive care benefits.

Policy

The legislative policy of the Board of Supervisors regarding health insurance is as follows:

- I. Impacts on San Diego County Government
 - A. As an Employer

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1. Oppose legislation that would require the County to assume new duties, offer new services, or pay for expanded coverage for its employees unless:
 - a. There is adequate and dependable revenue to support the full costs of the new duties or services; or
 - b. There is a corresponding reduction in net County cost brought about by a reduction or elimination of costs related to an existing mandate.
 2. Oppose legislation that would require the county to pay new taxes (such as a payroll tax) or fees to fund an insurance program unless the proposal would reduce net County costs by at least as much as the new tax or fee.
 3. Support legislation that would allow employers to pass on to employees the cost of any required coverage in excess of coverage now being provided.
 4. Support legislation that would allow employers flexibility in determining the scope of benefits offered to employees.
- B. As a Health Care Provider
1. Support legislation that would guarantee a state revenue source to finance any remaining county responsibility for indigent medical care.
 2. Oppose legislation that would reduce funding for indigent health care without a commensurate transfer or reduction of County obligation, including elimination of the Beilenson Act (Health and Safety Code § 1442 and §1442.5) and Welfare and Institutions Code § 17000.
 3. Support legislation that would make voluntary, rather than mandatory, county participation as a provider of medical services in a state-sponsored or state-supervised health insurance program.
 4. Support legislation that would protect funding for public and indigent health services.

II. Health Insurance Program Administration

- A. Support legislation that would promote health insurance administration that is flexible, responsive, accessible, and sensitive to the cultural and ethnic diversity of its clients.
- B. Support legislation that would permit regional administration of the health insurance program.
- C. Support legislation that would develop managed-care systems (e.g. systems that control the utilization of health care resources) over fee-for-service systems as a means to control costs without denying access to quality care.

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- D. Support legislation that would require periodic evaluation of the health insurance program and the progress made toward achieving its goals, with emphasis on cost impacts, quality assurance, and measurement of increased access for traditionally under-served populations.
- E. Support legislation that would allow county representation on any state commission, task force or other groups that make decisions regarding health insurance.
- F. Support legislation that would provide funding or incentives for a local demonstration pilot project designed to evaluate the effectiveness of alternative coverage models, funding mechanisms or delivery system designs.
- G. Support legislation that would improve and simplify program enrollment, administration and private provider participation in the Medi-Cal and Healthy Families programs.
- H. Oppose legislation that would cut Medicare or Medi-Cal reimbursements, such as a 10% across the board cut for Medicare reimbursements.
- I. Support legislation to increase reimbursement for Medi-Cal and Medicare providers.
- J. Oppose administrative and legislative Medicare and Medicaid payment reductions to health care providers.
- K. Support legislation that would change the underlying formula used to calculate physician cost of living updates.

III. Benefits

- A. Support legislation that would provide basic coverage for mental health, substance abuse, and dental services in addition to any minimum package for "major medical" coverage.
- B. Support legislation that would provide coverage of incarcerated persons and/or those under the custody of the county sheriff and chief probation officer — or secure their eligibility under the Medi-Cal program.
- C. Support legislation that would make available preventive care and/or incentives for employers to increase the benefit level of their employee coverage to include preventive care or the promotion of the "Healthy Worker — Healthy Workplace" model.

IV. Impact on Small Business

- A. Support legislation that would recognize the unique role that small business plays in the state's economy and would not adversely affect the ability of small business to compete in the marketplace.

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- B. Support legislation that provides incentives to small businesses that provide affordable health insurance to employees and dependents at no cost to the County.

V. State and Federal funding for Medi-Cal Services

- A. Support legislation that would provide for fair and equitable reimbursement to all categories of healthcare service providers including hospitals, community clinics, private practice physicians and ancillary providers.
- B. Support legislation that would provide adequate funding of State mandated administrative requirements associated with Medi-Cal eligibility and enrollment functions.
- C. Support legislation to increase Medi-Cal rates to physicians.
- D. Oppose legislation to redirect Medicaid funding currently distributed to California hospitals, including Disproportionate Share Hospitals.
- E. Oppose legislation that would further erode Disproportionate Share Hospital payments.

Responsible Departments

Chief Administrative Office

Office of Strategy and Intergovernmental Affairs

Sunset Date

This policy shall be reviewed for continuance by 12-31-14.

References

Board Action 8/22/98 (68)

Board Action 8/14/90 (61)

Board Action 3/5/91 (26A)

Board Action 4/13/99 (42A)

Board Action 10/31/06 (14)

Board Action 12/11/07 (14)

Board Action 12/09/08 (33)